



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AUDIT EXAMINATION OF THE  
BRACKEN COUNTY FISCAL COURT**

**Fiscal Year Ended June 30, 1999**

**EDWARD B. HATCHETT, JR.  
AUDITOR OF PUBLIC ACCOUNTS  
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CERTIFICATION OF COMPLIANCE – LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM





## Edward B. Hatchett, Jr. Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable Dwayne Jett, Bracken County Judge/Executive

Members of the Bracken County Fiscal Court

### Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Bracken County, Kentucky, as of June 30, 1999, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Bracken County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Bracken County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Bracken County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1999, in conformity with the cash basis of accounting described above.

To the People of Kentucky  
Honorable Paul E. Patton, Governor  
John P. McCarty, Secretary  
Finance and Administration Cabinet  
Mike Haydon, Secretary, Revenue Cabinet  
Honorable Dwayne Jett, Bracken County Judge/Executive  
Members of the Bracken County Fiscal Court

Our audit was performed for the purpose of forming an opinion on the financial statements of Bracken County, Kentucky, taken as a whole. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Based on the results of our audit, we present the accompanying comment and recommendation, included herein, which discusses the following area of noncompliance:

- The County Should Require Depository Institutions To Pledge Or Provide Sufficient Collateral To Protect Deposits

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 1999 on our consideration of Bracken County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,



Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
December 21, 1999

BRACKEN COUNTY OFFICIALS

Fiscal Year Ended June 30, 1999

Dwayne Jett	County Judge/Executive
Edward J. Rudd	County Attorney
Karen Rumford	County Clerk
Catherine Rigg	Circuit Court Clerk
Mike Nelson	Sheriff
David Sticklen	Jailer
Steve Thornsberry	Property Valuation Administrator
Judith Brothers	County Treasurer
John G. Parker	Coroner
Elmer Lee Jones	Magistrate
David Kelsch	Magistrate
James Cox	Magistrate
Clark Hennessy	Magistrate
Jerry King	Magistrate
Leslie Newman	Magistrate
Neal Brumley	Magistrate
Gilbert Todd, Jr.	Magistrate





STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS



BRACKEN COUNTY  
STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1999

Assets and Other Resources

Assets

General Fund:

Cash	\$ 409,782
Investments	127,129

Road and Bridge Fund:

Cash	501,310
------	---------

Jail Fund:

Cash	3,453
------	-------

Local Government Economic Assistance Fund:

Cash	27,462
------	--------

Special Fund:

Cash	48,985
------	--------

Payroll Revolving Account - Cash

7,545

Other Resources

General Fund:

Amounts to be Provided in Future Years for Enhanced 911

Capital Lease Obligations - Principal	126,971
---------------------------------------	---------

Total Assets and Other Resources

\$ 1,252,637

The accompanying notes are an integral part of the financial statements.

BRACKEN COUNTY  
 STATEMENT OF ASSETS, LIABILITIES,  
 AND FUND BALANCES ARISING FROM CASH TRANSACTIONS  
 June 30, 1999  
 (Continued)

Liabilities and Fund Balances

Liabilities

General Fund:

Capital Lease Obligation - Principal (Note 4)	\$ 126,971
---	------------

Payroll Revolving Account	7,545
---------------------------	-------

Fund Balances

Reserved:

General Fund - Enhanced 911 Acquisition Account	126,971
---	---------

Unreserved:

General Fund	409,940
--------------	---------

Road Fund	501,310
-----------	---------

Jail Fund	3,453
-----------	-------

Local Government Economic Assistance Fund	27,462
---	--------

Special Fund	48,985
--------------	--------

Total Liabilities and Fund Balances	<u>\$ 1,252,637</u>
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STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

BRACKEN COUNTY  
STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1999

<u>Cash Receipts</u>	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
Schedule of Operating Revenue	\$ 1,735,861	\$ 706,312	\$ 821,740	\$ 44,537
Transfers In	103,730	51,200	12,530	40,000
Kentucky Advance Revenue Program	404,485	233,600	170,885	
Lease-Purchase Proceeds	127,129	127,129		
Total Cash Receipts	<u>\$ 2,371,205</u>	<u>\$ 1,118,241</u>	<u>\$ 1,005,155</u>	<u>\$ 84,537</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 1,601,078	\$ 616,739	\$ 769,152	\$ 83,398
Transfers Out	103,730	40,000	50,000	
Kentucky Advance Revenue Program Repaid	404,485	233,600	170,885	
Total Cash Disbursements	<u>\$ 2,109,293</u>	<u>\$ 890,339</u>	<u>\$ 990,037</u>	<u>\$ 83,398</u>
Excess of Cash Receipts Over Cash Disbursements	\$ 261,912	\$ 227,902	\$ 15,118	\$ 1,139
Cash Balance - July 1, 1997	838,116	290,916	486,192	2,314
* Add - Voided Prior Year Checks	18,093	18,093		
**Cash Balance - June 30, 1998	<u>\$ 1,118,121</u>	<u>\$ 536,911</u>	<u>\$ 501,310</u>	<u>\$ 3,453</u>

\* Fiscal year 1997-98 expenditures voided during fiscal year ending June 30, 1999.

\*\* Cash balance includes investments.

The accompanying notes are an integral part of the financial statements.

BRACKEN COUNTY  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES  
Fiscal Year Ended June 30, 1999  
(Continued)

Local Government Economic Assistance Fund	Disaster and Emergency Services Fund	Special Fund
\$ 29,969	\$ 127,442	\$ 5,861
<u>\$ 29,969</u>	<u>\$ 127,442</u>	<u>\$ 5,861</u>
\$ 16,877	\$ 114,912 12,530	\$ 1,200
<u>\$ 16,877</u>	<u>\$ 127,442</u>	<u>\$ 1,200</u>
\$ 13,092 14,370	\$	\$ 4,661 44,324
<u>\$ 27,462</u>	<u>\$ 0</u>	<u>\$ 48,985</u>

BRACKEN COUNTY  
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Bracken County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the application of the criteria stated in GASB 14, there are no component units which merit consideration as part of the reporting entity.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Bracken County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity, and adoption by the fiscal court is required by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.



BRACKEN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1999  
(Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.22 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. The county entered into a written agreement with the depository institution and met requirements (a), (b), and (c) stated above. However, as of February 28, 1999, the collateral and FDIC insurance together did not equal or exceed the amount on deposit, leaving \$266,431 of public funds uninsured and unsecured.

BRACKEN COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 1999  
 (Continued)

Note 3. Deposits (Continued)

The county's deposits are categorized below to give an indication of the level of risk assumed by the county as of February 28, 1999.

	<u>Bank Balance</u>
Collateralized with securities held by pledging depository institution in the county's name	\$ 766,000
Uncollateralized and uninsured	<u>266,431</u>
Total	<u><u>\$ 1,032,431</u></u>

Note 4. Lease-Purchase Agreement

The Bracken County Fiscal Court is committed to a lease agreement with the Kentucky Association of Counties Leasing Trust (KACoLT) for equipment to be used in the county's 911 system. This agreement requires an initial monthly payment of \$2,877 and 59 payments of \$2,352, to be completed on June 20, 2004. The total balance of the agreement was \$126,971 as of June 30, 1999.

COMPARATIVE SCHEDULE OF  
BUDGETED TO ACTUAL OPERATING REVENUE



BRACKEN COUNTY  
COMPARATIVE SCHEDULE OF  
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1999

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
General Fund	\$ 556,127	\$ 706,312	\$ 150,185
Road and Bridge Fund	585,884	821,740	235,856
Jail Fund	35,397	44,537	9,140
Local Government Economic Assistance Fund	27,093	29,969	2,876
Disaster and Emergency Service Fund	127,443	127,442	(1)
Special Fund	3,200	5,861	2,661
Total	<u>\$ 1,335,144</u>	<u>\$ 1,735,861</u>	<u>\$ 400,717</u>

Reconciliation

Total Budgeted Operating Revenue Above	\$ 1,335,144
Add: Budgeted Prior Year Surplus	843,160
Less: Other Financing Uses	<u>(12,865)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures	<u>\$ 2,165,439</u>

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SCHEDULE OF OPERATING REVENUE

BRACKEN COUNTY  
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1999

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
Revenue From Local Taxes and Excess Fees				
Sheriff:				
Taxes	\$ 358,230	\$ 358,230	\$	\$
County Clerk:				
Deed Transfer Tax	11,578	11,578		
Occupational Licenses	921	921		
Delinquent Taxes	2,128	2,128		
Excess Fees - 1998	8,841	8,841		
Tangible Personal Property Taxes:				
County Clerk	52,304	52,304		
From State-				
Other Counties	7,247	7,247		
Omitted Personal Property Taxes	1,380	1,380		
Totals	\$ 442,629	\$ 442,629	\$ 0	\$ 0
<u>Federal Receipts - State Treasurer</u>				
Disaster and Emergency Assistance				
Grant - Coordinator Salary	\$ 822	\$ 822	\$	\$
Community Development Block Grants-				
Waterline Extension	19,712	19,712		
Housing and Urban Development-				
Disaster Recovery	127,442			
Totals	\$ 147,976	\$ 20,534	\$ 0	\$ 0
<u>Kentucky State Treasurer</u>				
Jail:				
Allotments	\$ 24,000	\$	\$	\$ 24,000
Medical Allotments	1,805			1,805
Driving Under The Influence Fees	1,705			1,705
Juvenile Detention Reimbursement	960			960
Public Defender Allotment	8,649	8,649		
Recouped Public Defender Fees	2,035	2,035		



BRACKEN COUNTY  
SCHEDULE OF OPERATING REVENUE  
Fiscal Year Ended June 30, 1999  
(Continued)

Local Government Economic Assistance Fund	Disaster and Emergency Services Fund	Special Fund
---	---	--------------

\$                      \$                      \$

<u>                    </u>	<u>                    </u>	<u>                    </u>
\$            0	\$            0	\$            0

\$                      \$                      \$

<u>                    </u>	<u>          127,442          </u>	<u>                    </u>
\$            0	\$    127,442	\$            0

\$                      \$                      \$

BRACKEN COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer</u> (Continued)				
County Road Aid	\$ 434,009	\$	\$ 434,009	\$
Road Aid - Rural Secondary	85,000		85,000	
Road Aid - Emergency Funds	97,272		97,272	
Truck License Distribution	161,449		161,449	
Election Expense Reimbursement	4,080			
Transportation of School Children	31,616		31,616	
Courthouse Rental - Administrative				
Office of the Courts	32,057		32,057	
Refunds:				
Legal Process Tax	49		49	
Drivers Licenses	796			796
Dog Licenses	59		59	
Severance Taxes:				
Coal	29,485			
Board of Assessments	200		200	
Grants:				
Area Development Funds -				
Courthouse Repairs	7,000		7,000	
Emergency Medical Services	1,097		1,097	
Disaster and Emergency				
Assistance Grant -				
Coordinator Salary	1,474		1,474	
Totals	<u>\$ 924,797</u>	<u>\$ 84,236</u>	<u>\$ 778,526</u>	<u>\$ 28,470</u>
<u>Miscellaneous Revenue</u>				
Interest	\$ 39,805	\$ 15,658	\$ 21,741	\$ 141
Circuit Court Clerk:				
Jail Cost	9,346			9,346
Work Release	120			120
Jail Cost - Other	2,652			2,652
Work Release - Other	3,312			3,312
Surplus Machinery/Equipment Sales	14,095		13,945	150

BRACKEN COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1999  
 (Continued)

Local Government Economic Assistance Fund	Disaster and Emergency Services Fund	Special Fund
---	---	--------------

\$                      \$                      \$

4,080

29,485

<u>\$      29,485</u>	<u>\$              0</u>	<u>\$      4,080</u>
-----------------------	--------------------------	----------------------

\$      484      \$                      \$      1,781

BRACKEN COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Miscellaneous Revenue (Continued)</u>				
Reimbursements:				
Dispatch Service	\$ 17,700	\$ 17,700	\$	\$
Insurance - Employee	14,620	10,098	4,522	
Miscellaneous	18,411	15,924	2,487	
Licenses and Permits:				
Telephone - 911 Surcharge	95,400	95,400		
Cable TV Franchise	1,925	1,925		
Miscellaneous Items	<u>3,073</u>	<u>2,208</u>	<u>519</u>	<u>346</u>
Totals	<u>\$ 220,459</u>	<u>\$ 158,913</u>	<u>\$ 43,214</u>	<u>\$ 16,067</u>
Total Operating Revenue	<u><u>\$ 1,735,861</u></u>	<u><u>\$ 706,312</u></u>	<u><u>\$ 821,740</u></u>	<u><u>\$ 44,537</u></u>

BRACKEN COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1999  
 (Continued)

Local Government Economic Assistance Fund	Disaster and Emergency Services Fund	Special Fund
\$	\$	\$
\$ 484	\$ 0	\$ 1,781
<u>\$ 29,969</u>	<u>\$ 127,442</u>	<u>\$ 5,861</u>

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COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES





BRACKEN COUNTY  
COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1999

	<u>Final Budget</u>	<u>Budgeted Expenditures</u>	<u>Under (Over) Budget</u>
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 52,425	\$ 52,425	\$
Grant Department - Staff	3,231	2,815	416
Secretary	17,213	17,213	
Part-Time Assistant		198	(198)
Office Materials and Supplies	4,500	3,948	552
Judge/Executive Bond	100	51	49
Postage		330	(330)
Travel	3,500	3,024	476
Office of County Attorney:			
Salaries-			
County Attorney	7,476	7,438	38
Secretaries	509		509
Office Materials and Supplies	586	586	
Office of County Clerk:			
County Clerk Salaries	7,477	6,255	1,222
Fees	2,450	1,837	613
Office Materials and Supplies	6,000	4,589	1,411
Office of Sheriff:			
Officials' Bond	635	616	19
Office Materials and Supplies	3,500	2,478	1,022
Office of County Coroner:			
Salaries-			
County Coroner	4,487	4,486	1
Deputy Coroner	1,497	1,497	
Coroner Training and Expenses	600	178	422
Fees and Expenses	101	101	

BRACKEN COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Fiscal Court:			
Magistrates-			
Salaries	\$ 41,874	\$ 41,873	\$ 1
Interdisciplinary Evaluation	2,500	652	1,848
Travel	500		500
Office of Property Valuation Administrator:			
Statutory Contribution	7,722	7,702	20
Officials' Bond	65	64	1
Office of Board of Assessment Appeals:			
Per Diem	400	400	
Office of County Treasurer:			
County Treasurer Salary-	11,191	11,190	1
Officials' Bond	376		376
County Law Library:			
Law Librarian Salary	749	748	1
Elections:			
Per Diem-			
Election Commissioners	3,500	3,200	300
Election Officers	5,000	4,795	205
Polling Place Rentals	7,459	7,459	
Printing and Advertising	7,843	7,843	
Other Rental	405	405	
Miscellaneous	173	173	
Economic Development:			
Industrial Park Consultant	5,000		5,000
Courthouse:			
Custodial Personnel Salaries-	14,460	14,459	1
Computer Software Development	1,500	1,317	183

BRACKEN COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Courthouse: (Continued)			
Materials and Supplies	\$ 4,179	\$ 4,179	\$
Renewals and Repairs	18,693	18,396	297
Telephone	9,719	9,719	
Utilities	16,200	14,933	1,267
Office Equipment	1,000	86	914
Office of County Surveyor:			
County Surveyor Salary-	2,026	2,026	
<u>Protection to Persons and Property</u>			
County Fire Department:			
Contribution	12,500	63	12,437
Volunteer Fire Department:			
Emergency Equipment		30,000	(30,000)
Rescue Squad:			
Water Rescue Services	3,375	3,375	
Disaster and Emergency Services:			
Civil Defense Director Salaries-	6,104	6,104	
Civil Defense Contribution	1,270	1,270	
Emergency Dispatch Service:			
Salaries-			
Dispatchers	12,244	4,695	7,549
Dispatchers - Part-Time	49,778	49,778	
Office Supplies	1,842	1,842	
Telephone	1,800	1,083	717
Radio Maintenance and Repair	2,000	419	1,581
Miscellaneous	2,108	2,108	

BRACKEN COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Protection to Persons and Property</u> (Continued)			
Emergency Dispatch Service: (Continued)			
911 Equipment - Lease-Purchase			
Principal	\$ 40,416	\$ 16,541	\$ 23,875
Interest	1,669		1,669
Drug Enforcement:			
Narcotics Task Force	2,694	2,694	
Public Advocate Program:			
Public Advocacy	1,046	1,046	
Public Defender Contract	15,183	15,183	
<u>General Health and Sanitation</u>			
Dog Control:			
Dog Warden Salary	3,576	3,576	
Euthanasia Contract - Private Agency	900	850	50
Animal Food and Supplies	600	334	266
Water System:			
Waterline Improvements	19,712	19,712	
<u>Social Services</u>			
Cemeteries and Memorials:			
Pauper Burials	1,000		1,000
<u>Recreation and Culture</u>			
Parks - Contribution	5,500	3,563	1,937
<u>Bus Services</u>			
Transportation of School Children	31,463	14,543	16,920

BRACKEN COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Debt Service</u>			
Borrowed Money:			
Kentucky Advance Revenue Program-			
Interest	\$ 5,139	\$ 5,139	\$
<u>Administration</u>			
General Services:			
Advertising	4,000	3,942	58
Auditing Services	20,522	20,522	
Insurance-			
Assessment	10,339	10,339	
Buildings and Contents	2,323	2,323	
Liability	9,025	9,025	
Memberships-			
Area Development District	4,524	4,524	
Kentucky Association of Counties	800	800	
Other	2,898	2,898	
Miscellaneous	12,234	12,189	45
Contingent Appropriations:			
Reserve for Transfers	201,670		201,670
Fringe Benefits:			
County Contributions-			
Social Security	32,128	32,128	
Retirement	29,998	29,998	
Insurance-			
Health	28,017	28,017	
Paid by Employee	5,500	3,800	1,700
Dental	464	464	
Unemployment	1,000	619	381
Worker's Compensation	9,600	9,549	51
Total Operating Budget	\$ 875,782	\$ 616,739	\$ 259,043

BRACKEN COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
Other Financing Uses:			
*Kentucky Advance Revenue Program-			
Principal	\$ 233,600	\$ 233,600	\$
Total General Fund	\$ 1,109,382	\$ 850,339	\$ 259,043

ROAD AND BRIDGE FUND

Roads

Office of Road Supervisor/Engineer:

Road Supervisor Salary	\$ 32,064	\$ 32,064	\$
Office Materials and Supplies	600	369	231

Road Maintenance:

Road Labor Salaries-	123,500	113,350	10,150
Equipment	80,591	80,591	
Maintenance and Repairs	12,541	12,541	
Rental Equipment	2,570	1,571	999
Road Materials	348,820	348,820	
Garage Supplies	23,807	23,332	475
Motor Vehicle Parts	82,994	38,697	44,297
Petroleum Products	26,000	25,687	313
Signs	2,353	2,353	
Salt	7,000	6,749	251
Tools	3,000	652	2,348
Utilities	4,193	4,183	10
Operating Supplies	153	153	
Miscellaneous	2,000	1,411	589

Debt Service

Borrowed Money:

Kentucky Advance Revenue Program-			
Interest	3,760	3,760	

BRACKEN COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u> (Continued)			
<u>Administration</u>			
General Services:			
Insurance-			
Buildings	\$ 304	\$ 304	\$
Vehicles	11,281	11,281	
Liability	5,080	4,980	100
Contingent Appropriations:			
Reserve for Budget Transfers	128,367		128,367
Fringe Benefits:			
County Contributions-			
Social Security	11,400	10,571	829
Retirement	14,000	11,884	2,116
Insurance-			
Health	25,540	25,092	448
Paid by Employee	7,050	1,495	5,555
Dental	700	365	335
Unemployment	1,000		1,000
Worker's Compensation	6,897	6,897	
Total Operating Budget	\$ 967,565	\$ 769,152	\$ 198,413
Other Financing Uses:			
*Kentucky Advance Revenue Program-			
Principal	171,945	170,885	1,060
Total Road and Bridge Fund	\$ 1,139,510	\$ 940,037	\$ 199,473

JAIL FUND

Protection to Persons and Property

Office of Jailer:			
Personnel Services-			
Salaries-			
Jailer	\$ 20,346	\$ 18,409	\$ 1,937
Deputies/Matrons	1,650	1,650	

BRACKEN COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND</u> (Continued)			
<u>Protection to Persons and Property</u> (Continued)			
Operations-			
Contracts With Other Counties	\$ 56,958	\$ 45,664	\$ 11,294
Juvenile Detention	17,800	10,350	7,450
Maintenance and Repair Service - Vehicle	938	938	
Office Materials and Supplies	364	364	
Telephone	167	167	
Membership Dues	115	115	
Routine Medical	4,000	616	3,384
Staff Travel	4,000	1,302	2,698
Jailer's Bond	64	64	
Miscellaneous	782	782	
<u>Administration:</u>			
Contingent Appropriations:			
Reserve for Budget Transfers	3,830		3,830
Fringe Benefits:			
County Contributions-			
Social Security	1,683	1,464	219
Retirement	1,648	1,513	135
Total Jail Fund	<u>\$ 114,345</u>	<u>\$ 83,398</u>	<u>\$ 30,947</u>
<u>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND</u>			
<u>Roads</u>			
Road Materials	<u>\$ 33,994</u>	<u>\$ 16,877</u>	<u>\$ 17,117</u>



BRACKEN COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1999  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>DISASTER AND EMERGENCY SERVICES FUND</u>			
<u>Distributions to Other Governmental Agencies</u>			
Bracken County	\$ 12,530	\$	\$ 12,530
City of Augusta	113,478	113,478	
City of Brooksville	1,330	1,330	
Bracken County Health Department	105	104	1
Total Disaster and Emergency Services Fund	<u>\$ 127,443</u>	<u>\$ 114,912</u>	<u>\$ 12,531</u>
<u>SPECIAL FUND</u>			
Reserve For Transfers	<u>\$ 46,310</u>	<u>\$ 0</u>	<u>\$ 46,310</u>
Total Operating Budget - All Funds	\$ 2,165,439	\$ 1,601,078	\$ 564,361
Other Financing Uses:			
*Kentucky Advance Revenue Program - Principal	<u>405,545</u>	<u>404,485</u>	<u>1,060</u>
TOTAL BUDGET - ALL FUNDS	<u><u>\$ 2,570,984</u></u>	<u><u>\$ 2,005,563</u></u>	<u><u>\$ 565,421</u></u>

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS





Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Honorable Dwayne Jett, Bracken County Judge/Executive  
Members of the Bracken County Fiscal Court

Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of Financial  
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Bracken County, Kentucky, as of and for the year ended June 30, 1999, and have issued our report thereon dated December 21, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Bracken County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bracken County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Honorable Dwayne Jett, Bracken County Judge/Executive  
Members of the Bracken County Fiscal Court  
Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of Financial  
Statements Performed In Accordance With Government Auditing Standards  
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
December 21, 1999

## COMMENT AND RECOMMENDATION





BRACKEN COUNTY  
COMMENT AND RECOMMENDATION

Fiscal Year Ended June 30, 1999

NONCOMPLIANCES

The County Should Require Depository Institutions To Pledge Or Provide Sufficient Collateral To Protect Deposits

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On February 28, 1999, \$266,431 of the county's deposits of public funds in depository institutions were uninsured and unsecured. According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with Federal Deposit Insurance Corporation insurance, equals or exceeds the amount of public funds on deposit at all times. We recommend that the county require the depository institution to pledge or provide collateral in an amount sufficient to secure deposits of public funds at all times.

*Management's Response: Deposits are now secure.*

PRIOR YEAR FINDINGS

The County Should Require The Depository Institution To Pledge Sufficient Securities As Collateral And Enter Into A Written Agreement To Protect Deposits. -- The County has entered into a written agreement with depository institutions, however, additional pledges required in current year.

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**CERTIFICATION OF COMPLIANCE – LOCAL  
GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS**

**BRACKEN COUNTY FISCAL COURT**

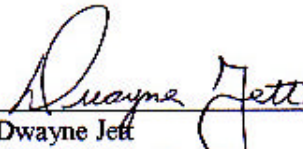
**Fiscal Year Ended June 30, 1999**

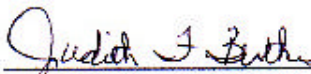
**Appendix A**



CERTIFICATION OF COMPLIANCE  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM  
BRACKEN COUNTY FISCAL COURT

The Bracken County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.

  
\_\_\_\_\_  
Dwayne Jett  
County Judge/Executive

  
\_\_\_\_\_  
Judith F. Brothers  
County Treasurer